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absolute separation from political and religious orthodoxy is only a question of time. It is therefore surprising that so many intellectual men have been able to retain an independent position between the ultra-radicals and the autocracy. Professor Milyoukov touches on this fact in discussing the socialistic idea. "Socialism in Russia, more than anywhere else, represents democracy in general. This is what makes its political role much more important than in those countries with a more and earlier developed democracy." But the new socialistic democracy being founded on class spirit and composed largely of the manufacturing laborers can have little in common with the "intellectuals," as the educated liberals are usually called. It has been this inability of the constituent elements of the Russian people—peasant, city laborer and nobleman—to co-operate that has formed one of the chief elements of strength of the autocracy. In the chapter on the "Crisis" the author shows the steady deterioration in peasant prosperity in Southern Russia and the necessity of a thoroughgoing reorganization of the system of taxation, agrarian credit and land laws. The main thesis of the book is that the first step towards all of these changes is political reform.

The author traces the moderate or liberal movement through its phases of development as an upper and middle class propaganda. Parallel with it, but separate, he shows the growth of the socialistic or workingmen's agitation until the outbreak of the Japanese war, when a certain amount of tacit co-ordination of the two tendencies began. In the long run, however, this plan proved a failure because of the socialistic distrust of the "bourgeoisie." Meanwhile the military collapse of the empire has been followed by a financial panic, an acute agrarian crisis and last, but not least, a general failure of the elaborate system of state-protected industries and monopolies which was built up by Mr. Witte at the cost of the peasantry. It is upon the latter class, the agricultural laborers and renters, that the whole crushing burden of government inefficiency, folly and corruption has fallen. It is the native conservatism, credulity and superstition of this element which delays the process of revolution.

Professor Milyoukov's book gives an interesting, readable and, in all but one chapter, a logical, coherent explanation of the Russian crisis. On this important subject there is no work of equal merit and authority accessible to English readers.

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Rae, John. *The Sociological Theory of Capital*. A reprint of the *New Principles of Political Economy*, 1834. Edited with a biographical sketch by Charles W. Mixter. Pp. lii, 485. Price, \$4.00. New York: Macmillan Company, 1905.

Rae's work originally appeared under unfavorable conditions, both internal and external, and for more than sixty years the few volumes printed in 1834 evidently rested undisturbed on library shelves. Böhm-Bawerk did not include a criticism of Rae in his comprehensive "Capital and Interest," for he was ignorant of Rae's book. Not until the great stimulus in the theoretical study of the theory of interest came, largely as a result of Böhm-Bawerk's work, was Rae really discovered and the value of his contribution appreciated. Through the efforts of the editor of the present reprint many have been made familiar with Rae's ideas, and will welcome the opportunity to get a copy of his great work.

If Rae's book had been studied carefully when it appeared, economic science might have been much further advanced than it is at present. The formulation of the *agio* theory of interest has helped immensely to a better understanding of economic phenomena, yet it was late in the nineteenth century before that theory of interest became a force in thought. Rae expressed that theory seventy years ago. The cause of interest lying in the difference in the relative valuations of present and future goods Rae saw and expressed in these words: "The formation of every instrument implies the sacrifice of some smaller present good for the production of some greater future good." This shows clearly that Rae understood in a definite way the cause of interest. Again, Rae made a long advance ahead of his time in his conception of what constitutes capital. It is true that in his definition of capital he limited the term, as is commonly done, to that portion of stock reserved for future productive uses or for exchange, but he does not use this conception of capital. Instead, he adopted the word "instrument," which he defined as "everything that man for the purpose of gaining an end brings to exist, or alters in its form, or in the arrangement of its parts." He thus included in his working conception of capital cultivated fields, hats, implements, bread, furniture, etc., and it is this conception to which economists are approaching. Rae's position in this respect is an approach to that of Professor Fisher's, who would include all goods under the category of capital. In these respects, it can be seen how important was Rae's contribution.

With all his advanced ideas, Rae failed to command attention. There are several causes of this. In the first place, his reasoning is somewhat obscure. He did not see clearly the great significance of the ideas he expressed. He had the idea of the theory of interest, but he did not work out a comprehensive theory of interest based on that idea. The book has to be read carefully to discover the theory of interest. Rae was more concerned with the rate of interest, and as he based his theory of the rate of interest upon a cost of production theory of value which is unsound, much of his reasoning, therefore, is unsound. He maintained that all instruments produce more than their cost of production, else they would not be produced. All instruments he arranged in a series according to the period it took each to produce double the cost of its production, and the discussion of the circumstances governing the position of instruments in

this series forms an extremely interesting and valuable portion of his book. One of the most important causes of changes in the series is invention, and Rae developed an important theory of invention.

Rae's use of terms was not fortunate. It would have been better to have used capital instead of instruments, for that was practically his meaning. Likewise his use of the term profits was unwise. That term is used to denote a differential gain, and it is a burden for the reader to keep Rae's meaning in mind. If his reasoning is difficult to follow and his terminology somewhat misleading, these defects are accentuated by the delightful description with which the book abounds. So charming is this feature that the apparent fault of the early readers who appreciated only the interesting descriptions must be avoided.

Concerning the present reprint, Professor Mixter deserves much credit for the labor he has bestowed on the original work to make it more readable. He has corrected the punctuation, which was extremely bad. That part which forms a distinct treatment of capital has been rearranged and forms the main body of the new edition. Chapters have been rearranged, pages inserted, explanatory notes added, which have made the book far more valuable than it formerly was. All that was not relevant to the theory of capital has been placed in an appendix, which forms nearly a half of the book, but making it a complete reprint of the original work. This appendix is not to be neglected, however, for it contains ideas which when developed will add much to present knowledge. The several appendices on luxury and the effects of vanity are of this nature. With his book cleared of its mechanical defects and made available in its new form, Rae ought to come into the position to which his great contribution entitled him.

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Small, Albion W. *General Sociology*. Pp. xiii, 739. Price, \$4.00. Chicago: The University of Chicago Press, 1905.

This monograph is the outgrowth of class lectures in the University of Chicago, where the author is Professor of Sociology. They have been worked over for publication, but a few slips remain, as, for instance, when Dr. Gilman is spoken of as president of Johns Hopkins or Ratzel is mentioned as if living.

The volume purports to be an exposition of the main development in sociological theory from Spencer to Ratzel, but it is a good deal more than this. The sub-title is true of the first 394 pages, but the balance of the work is largely a statement of the author's own opinions.

During the last century there were two types of sociologists: the sentimentalists, utopian oftentimes, knowing little about theory, followed by scientific students who have often been as interested in pure theory as to sometimes forget that this is vain unless brought into the arena of active life. Spencer